



General Assembly

February Session, 2014

***Raised Bill No. 420***

LCO No. 1925



Referred to Committee on COMMERCE

Introduced by:  
(CE)

***AN ACT EXTENDING THE MANUFACTURING APPRENTICESHIP AND  
NEIGHBORHOOD ASSISTANCE ACT TAX CREDITS TO PASS-  
THROUGH ENTITIES.***

Be it enacted by the Senate and House of Representatives in General  
Assembly convened:

1 Section 1. Subsection (a) of section 12-217g of the 2014 supplement  
2 to the general statutes is repealed and the following is substituted in  
3 lieu thereof (*Effective July 1, 2014, and applicable to income and taxable*  
4 *years commencing on or after January 1, 2014*):

5 (a) There shall be allowed a credit for any taxpayer against the tax  
6 imposed under this chapter or chapter 229, other than the liability  
7 imposed by section 12-707, for any income or taxable year with respect  
8 to each apprenticeship in the manufacturing trades commenced by  
9 such taxpayer in such year under a qualified apprenticeship training  
10 program as described in this section, certified in accordance with  
11 regulations adopted by the Labor Commissioner and registered with  
12 the Connecticut State Apprenticeship Council established under  
13 section 31-22n, in an amount equal to four dollars per hour multiplied  
14 by the total number of hours worked during [the income] such year by

15 apprentices in the first half of a two-year term of apprenticeship and  
 16 the first three-quarters of a four-year term of apprenticeship, provided  
 17 the amount of credit allowed for any income or taxable year with  
 18 respect to each such apprenticeship may not exceed four thousand  
 19 eight hundred dollars or fifty per cent of actual wages paid in such  
 20 [income] year to an apprentice in the first half of a two-year term of  
 21 apprenticeship or in the first three-quarters of a four-year term of  
 22 apprenticeship, whichever is less. If such taxpayer is an S corporation  
 23 or an entity treated as a partnership for federal income tax purposes,  
 24 the shareholders or partners of such taxpayer may claim the credit. If  
 25 such taxpayer is a single-member limited liability company that is  
 26 disregarded as an entity separate from its owner, the limited liability  
 27 company's owner may claim the credit.

28 Sec. 2. Subsection (a) of section 12-217g of the 2014 supplement to  
 29 the general statutes, as amended by section 1 of public act 13-265, is  
 30 repealed and the following is substituted in lieu thereof (*Effective July*  
 31 *1, 2015, and applicable to income and taxable years commencing on or after*  
 32 *January 1, 2015*):

33 (a) There shall be allowed a credit for any taxpayer against the tax  
 34 imposed under this chapter or chapter 229, other than the liability  
 35 imposed by section 12-707, for any income or taxable year with respect  
 36 to each apprenticeship in the manufacturing trades commenced by  
 37 such taxpayer in such year under a qualified apprenticeship training  
 38 program as described in this section, certified in accordance with  
 39 regulations adopted by the Labor Commissioner and registered with  
 40 the Connecticut State Apprenticeship Council established under  
 41 section 31-22n, in an amount equal to six dollars per hour multiplied  
 42 by the total number of hours worked during [the income] such year by  
 43 apprentices in the first half of a two-year term of apprenticeship and  
 44 the first three-quarters of a four-year term of apprenticeship, provided  
 45 the amount of credit allowed for any income or taxable year with  
 46 respect to each such apprenticeship may not exceed seven thousand  
 47 five hundred dollars or fifty per cent of actual wages paid in such

48 [income] year to an apprentice in the first half of a two-year term of  
49 apprenticeship or in the first three-quarters of a four-year term of  
50 apprenticeship, whichever is less. If such taxpayer is an S corporation  
51 or an entity treated as a partnership for federal income tax purposes,  
52 the shareholders or partners of such taxpayer may claim the credit. If  
53 such taxpayer is a single-member limited liability company that is  
54 disregarded as an entity separate from its owner, the limited liability  
55 company's owner may claim the credit.

56 Sec. 3. Section 12-632 of the general statutes is amended by adding  
57 subsection (k) as follows (*Effective July 1, 2014, and applicable to income*  
58 *and taxable years commencing on or after January 1, 2014*):

59 (NEW) (k) If any business firm granted a tax credit under this  
60 chapter is an S corporation or an entity treated as a partnership for  
61 federal income tax purposes, the shareholders or partners of such  
62 business firm may claim the credit. If the business firm is a single-  
63 member limited liability company that is disregarded as an entity  
64 separate from its owner, the limited liability company's owner may  
65 claim the credit.

66 Sec. 4. Section 12-633 of the general statutes is repealed and the  
67 following is substituted in lieu thereof (*Effective July 1, 2014, and*  
68 *applicable to income and taxable years commencing on or after January 1,*  
69 *2014*):

70 The Commissioner of Revenue Services shall grant a credit against  
71 any tax due under the provisions of chapter 207, 208, 209, 210, 211, [or]  
72 212 or 229, other than the liability imposed by section 12-707, in an  
73 amount not to exceed sixty per cent of the total cash amount invested  
74 during the income or taxable year by the business firm in programs  
75 operated or created pursuant to proposals approved pursuant to  
76 section 12-632, as amended by this act, provided a tax credit not to  
77 exceed one hundred per cent of the total cash amount invested during  
78 [the taxable] such year by the business firm may be allowed for

79 investment in certain energy conservation projects as provided in  
80 subdivisions (1) and (2) of section 12-635, as amended by this act.

81 Sec. 5. Section 12-634 of the general statutes is repealed and the  
82 following is substituted in lieu thereof (*Effective July 1, 2014, and*  
83 *applicable to income and taxable years commencing on or after January 1,*  
84 *2014*):

85 The Commissioner of Revenue Services shall grant a credit against  
86 any tax due under the provisions of chapter 207, 208, 209, 210, 211, [or]  
87 212 or 229, other than the liability imposed by section 12-707, in an  
88 amount not to exceed sixty per cent of the total cash amount invested  
89 during the income or taxable year by the business firm in programs  
90 operated or created pursuant to proposals approved pursuant to  
91 section 12-632, as amended by this act, for planning, site preparation,  
92 construction, renovation or acquisition of facilities for purposes of  
93 establishing a child day care facility to be used primarily by the  
94 children of such business firm's employees and equipment installed for  
95 such facility, including kitchen appliances, to the extent that such  
96 equipment or appliances are necessary in the use of such facility for  
97 purposes of child day care, provided: (1) Such facility is operated  
98 under the authority of a license issued by the Commissioner of Public  
99 Health in accordance with sections 19a-77 to 19a-87, inclusive, (2) such  
100 facility is operated without profit by such business firm related to any  
101 charges imposed for the use of such facility for purposes of child day  
102 care, and (3) the amount of tax credit allowed any business firm under  
103 the provisions of this section for any income year may not exceed fifty  
104 thousand dollars. If two or more business firms share in the cost of  
105 establishing such a facility for the children of their employees, each  
106 such taxpayer shall be allowed such credit in relation to the respective  
107 share, paid or incurred by such taxpayer, of the total expenditures for  
108 the facility in such income year. The commissioner shall not grant a  
109 credit pursuant to this section to any taxpayer claiming a credit for the  
110 same year pursuant to section 12-217x.

111       Sec. 6. Section 12-635 of the general statutes is repealed and the  
112 following is substituted in lieu thereof (*Effective July 1, 2014, and*  
113 *applicable to income and taxable years commencing on or after January 1,*  
114 *2014*):

115       The Commissioner of Revenue Services shall grant a credit against  
116 any tax due under the provisions of chapter 207, 208, 209, 210, 211, [or]  
117 212 or 229, other than the liability imposed by section 12-707: (1) In an  
118 amount not to exceed one hundred per cent of the total cash amount  
119 invested during the income or taxable year by the business firm in  
120 programs operated or created pursuant to proposals approved  
121 pursuant to section 12-632, as amended by this act, for energy  
122 conservation projects directed toward properties occupied by persons,  
123 at least seventy-five per cent of whom are at an income level not  
124 exceeding one hundred fifty per cent of the poverty level for the year  
125 next preceding the year during which such tax credit is to be granted;  
126 (2) in an amount equal to one hundred per cent of the total cash  
127 amount invested during the income or taxable year by the business  
128 firm in programs operated or created pursuant to proposals approved  
129 pursuant to section 12-632, as amended by this act, for energy  
130 conservation projects at properties owned or occupied by charitable  
131 corporations, foundations, trusts or other entities as determined under  
132 regulations adopted pursuant to this chapter; or (3) in an amount not  
133 to exceed sixty per cent of the total cash amount invested during the  
134 income or taxable year by the business firm (A) in employment and  
135 training programs directed at youths, at least seventy-five per cent of  
136 whom are at an income level not exceeding one hundred fifty per cent  
137 of the poverty level for the year next preceding the year during which  
138 such tax credit is to be granted; (B) in employment and training  
139 programs directed at handicapped persons as determined under  
140 regulations adopted pursuant to this chapter; (C) in employment and  
141 training programs for unemployed workers who are fifty years of age  
142 or older; (D) in education and employment training programs for  
143 recipients in the temporary family assistance program; or (E) in child

144 care services. Any other program [which] that serves persons at least  
 145 seventy-five per cent of whom are at an income level not exceeding  
 146 one hundred fifty per cent of the poverty level for the year next  
 147 preceding the year during which such tax credit is to be granted and  
 148 [which] that meets the standards for eligibility under this chapter shall  
 149 be eligible for a tax credit under this section in an amount equal to  
 150 sixty per cent of the total cash invested by the business firm in such  
 151 program.

152 Sec. 7. Section 12-635a of the general statutes is repealed and the  
 153 following is substituted in lieu thereof (*Effective July 1, 2014, and*  
 154 *applicable to income and taxable years commencing on or after January 1,*  
 155 *2014*):

156 The Commissioner of Revenue Services shall grant a credit against  
 157 any tax due under the provisions of chapter 207, 208, 209, 210, 211, [or]  
 158 212 or 229, other than the liability imposed by section 12-707, in an  
 159 amount not to exceed sixty per cent of the total cash amount invested  
 160 during the income or taxable year by the business firm in community-  
 161 based alcoholism prevention or treatment programs operated or  
 162 created pursuant to proposals approved pursuant to section 12-632, as  
 163 amended by this act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2014, and applicable to income and taxable years commencing on or after January 1, 2014</i>	12-217g(a)
Sec. 2	<i>July 1, 2015, and applicable to income and taxable years commencing on or after January 1, 2015</i>	12-217g(a)
Sec. 3	<i>July 1, 2014, and applicable to income and taxable years commencing on or after January 1, 2014</i>	12-632

Sec. 4	<i>July 1, 2014, and applicable to income and taxable years commencing on or after January 1, 2014</i>	12-633
Sec. 5	<i>July 1, 2014, and applicable to income and taxable years commencing on or after January 1, 2014</i>	12-634
Sec. 6	<i>July 1, 2014, and applicable to income and taxable years commencing on or after January 1, 2014</i>	12-635
Sec. 7	<i>July 1, 2014, and applicable to income and taxable years commencing on or after January 1, 2014</i>	12-635a

**Statement of Purpose:**

To extend the manufacturing apprenticeship tax credit and Neighborhood Assistance Act tax credits to pass-through entities.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*